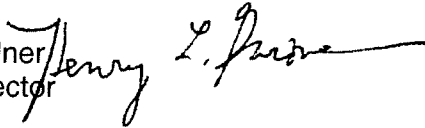


## M E M O

Date: May 8, 2009

To: Executive Board

From: Henry L. Gardner  
Executive Director 

Subject: **Executive Director's Report**

### **State Budget Crisis Worsens**

The Legislative Analyst has updated the State's cash flow analysis and has concluded that the State may have to halt spending on bond funded projects and force delays in payments for work already performed. This could have a significant impact on ABAG's Bay Trail Project and Estuary Project. Both of these projects are funded from State issued bond financings, and both have had payments delayed this fiscal year. Fortunately, we were able to move employees to other projects that were not affected by the funding freeze. That will probably not be possible if there is a future freeze, particularly for the Bay Trail Project. The Bay Trail Project is currently under funded and FY 2009-10 will be a challenge under the best case scenario. The State is currently estimating an \$8 billion revenue shortfall for the remainder of the fiscal year. Failure of measures in the May 19 special election (which seems quite likely at the moment) will make it difficult for the State to borrow to cover its cash flow pressures, resulting in further freezes of projects.

The prospects of the State borrowing from cities and counties and cutting funding for existing programs are becoming more probable each day, and failure of the measures in the May 19 special election will make it all but certain. Cities and counties are facing enormous budget challenges themselves and have exhausted most of the options they have to close budget deficits without painful reductions in staff and services. The federal stimulus package will ease some of the State's budget problems, but not all of them, and will provide little immediate help to cities and counties.

The May Revision is expected to be released by the Governor on May 14, 2009. Should the ballot propositions fail, estimated to raise approximately \$6 billion, the Governor has indicated that possible actions might include the following:

- Borrowing \$2 billion from cities, counties, and special districts;
- Additional cuts to Medi-Cal;
- Release of 40,000 nonviolent inmates from prison;
- Release of undocumented inmates to the federal government;
- An additional \$3.6 billion reduction to schools.

### **Status of Housing Elements**

In its 2007 Report to the Legislature on the Status of Housing Elements in California, the California Department of Housing and Community Development reports that for the planning period from December 31, 2001 to June 30, 2009, in ABAG's region, 92 out of 109 total jurisdictions, or 85 percent, had adopted housing elements that were in compliance in their general plans, the highest among other regions in the state. The report describes the status of local government compliance with housing element law statewide and by region.

### **SB 406**

To meet the requirements of SB 375, staff is taking steps to encourage the League of California Cities, the California State Association of Counties, and local jurisdictions to support SB 406 (DeSaulnier). SB 406 will allow the Metropolitan Planning Organizations the option of imposing a maximum \$2 as a registration fee on automobiles to generate funds that can support the significant planning responsibilities to provide for the orderly growth in a sustainable manner and to meet greenhouse gas reduction targets placed on MPOs by SB 375. Through SB 406, local governments receive 50 percent of funding for direct assistance in the SB 375 planning process, with the remainder going to MPOs to complete plans to meet regional targets.

### **San Francisco Bay Restoration Authority**

The San Francisco Bay Restoration Authority Governing Board held its first meeting on April 22. Chaired by Samuel Schuchat, Executive Officer of the California State Coastal Conservancy, all appointed members of the Governing Board were present and heard a summary of the legislation establishing the Authority and an overview of San Francisco Bay wetlands restoration projects and opportunities. The Governing Board accepted the support offered by ABAG and the State Coastal Conservancy to provide staff to the Authority. The next Governing Board meeting is scheduled for July 29.

### **FOCUS Forum**

FOCUS Forum continues its series of monthly meetings with focused discussions and guest speakers that provide opportunities to learn more about specific issues concerning the creation of complete communities near transit in urbanized areas. Upcoming meetings:

- "Air Quality in Our Communities" with guest speaker Dave Vintze, Program Manager BAAQMD, Thursday, May 14, 9:30 am to 11:30 am, BCDC, Petris McAteer Conference Room, 50 California Street, 26th Floor, San Francisco;
- "Development With Diversity" featuring the sub-recipients of the Caltrans Environmental Justice grant, Thursday, June 25, 9:30 am to 11:30 am, The Urban Center, 654 Mission Street, San Francisco;
- "Health in Urban Areas" with guest speaker Dr. Richard Jackson, Thursday, July 9, 9:30 am to 11:30 am, 101 8th Street, MetroCenter Auditorium, Oakland;
- Projections 2009 Conference "Building Momentum", Thursday, June 18, 8:30 am to noon, The Commonwealth Club of California, The Blue Room, 595 Market Street, 2nd Floor, San Francisco.

For more information, please contact JoAnna Bullock at JoAnnaB@abag.ca.gov or (510) 464-7968.

### **ABAG Energy Watch**

On May 1, 2009 ABAG submitted its Final Partnership Report to PG&E. The successful conclusion of the program included the following accomplishments:

- Provided technical assistance to 61 agencies in the Bay Area, identifying over 600 potential energy savings projects.
- Completed 309 energy efficiency projects in local government facilities for 48 separate agencies.
- Saved over 25,000,000 kWh/yr and 580,000 therm/yr.

ABAG has successfully transitioned the energy efficiency assistance previously provided by the ABAG Energy Watch program to new, sub-regional Energy Watch programs for the 2009-11 program cycle, and is now working with PG&E on the Green Communities effort.

### **ABAG POWER**

In 2006, ABAG POWER joined a lawsuit against natural gas trading companies that manipulated commodity prices during 1999-2001. As of May 2009, ABAG POWER has recovered \$500,000 – net – on behalf of 45 past and current members.

